

May 2016

Commission Meeting Summaries

These are summaries of orders voted by the Federal Energy Regulatory Commission at its May 19, 2016 public meeting. The summaries are produced by FERC's Office of External Affairs and are intended to provide only a general synopsis of the orders. These summaries are not intended as a substitute for the Commission's official orders. To determine the specific actions and the Commission's reasoning, please consult the individual orders when they are posted to FERC's eLibrary found at www.ferc.gov.

FERC denies requests for rehearing; grants, in part, clarification

E-1, *Refinements to Policies and Procedures for Market-Based Rates for Wholesale Sales of Electric Energy, Capacity and Ancillary Services by Public Utilities*, Docket No. RM14-14-001. The order denies requests for rehearing and grants, in part, clarification of certain determinations in Order No. 816, which amended the Commission's regulations that govern market-based rate authorizations for wholesale sales of electric energy, capacity, and ancillary services by public utilities.

FERC proposes a rule

E-4, *Disturbance Control Standard—Contingency Reserve for Recovery from a Balancing Contingency Event Reliability Standard*, Docket No. RM16-7-000. This Notice of Proposed Rulemaking (NOPR) proposes to approve Reliability Standard BAL-002-2 (Disturbance Control Standard—Contingency Reserve for Recovery from a Balancing Contingency Event) submitted by the North American Electric Reliability Corporation (NERC). Proposed Reliability Standard BAL-002-2 is designed to ensure that applicable entities balance resources and demand and return their Area Control Error to defined values following a Reportable Balancing Contingency Event. In addition, the NOPR proposes to require NERC to modify Reliability Standard BAL-002-2 to address concerns related to the possible extension or delay of the periods for Area Control Error recovery and contingency reserve restoration. The NOPR also proposes to direct NERC to address a reliability gap regarding megawatt losses above the most severe single contingency.

FERC issues policy statement

E-5, *Policy Statement on Hold-Harmless Commitments*, Docket No. PL15-3-000. In this policy statement, the Commission adopts certain policies regarding future implementation of hold-harmless commitments offered by applicants as ratepayer protection mechanisms to mitigate adverse effects on rates that may result from transactions subject to section 203 of the Federal Power Act.

FERC accepts a filing; establishes hearing and settlement judge procedures

E-6, *Constellation Power Source Generation, LLC*, Docket No. ER16-746-001, *et al.* This order accepts Constellation Power Source Generation's FERC Rate Schedule No. 2, reducing its revenue requirement for reactive supply and voltage control service (Reactive Service) to reflect the retirement of units that currently receive cost-based Reactive Service payments. The order also institutes hearing and settlement judge procedures in accordance with section 206 of the Federal Power Act regarding the justness and reasonableness of Constellation's reactive power rate for its generation fleet in the Baltimore Gas & Electric Zone of PJM, to determine if a further reduction would be appropriate.

FERC denies rehearing

E-7, *Kanstar Transmission, LLC*, Docket No. ER15-2237-002. The order denies a request for rehearing of a September 2015 Commission order. The order affirms the finding in the September 2015 order that other yet-to-be formed affiliates of Kanstar are authorized to use the same formula rate and incentives approved for Kanstar.

FERC approves an uncontested partial settlement

E-8, *Southwest Power Pool, Inc.*, Docket Nos. ER14-2850-006 and ER14-2851-006. This letter order approves SPP's Joint Partial Offer of Settlement filed on behalf of itself, Western Area Power Administration – Upper Great Plains Region, Basin Electric Power Cooperative, Heartland Consumers Power District (collectively, Integrated System Parties), Montana-Dakota Utilities Company (Montana-Dakota), and Midcontinent Independent System Operator, Inc. to resolve all issues raised by Montana-Dakota in the referenced proceedings arising out of the integration of Integrated System Parties into SPP as transmission-owning members.

FERC grants a request; establishes hearing and settlement judge procedures

E-9, *Southern California Edison Company*, Docket No. ER16-1025-000. This order grants a request by Southern California Edison Company (SoCal Edison) to recover in its Transmission Owner Tariff formula rate the prudently incurred abandoned plant costs

associated with the Coolwater-Lugo Transmission Project (CWLTP), and sets for hearing and settlement procedures the amount of overhead costs. The order finds that the CWLTP was abandoned for reasons beyond SoCal Edison's control, and, thus, authorizes the recovery of 100% of the prudently-incurred costs. However, the order sets for hearing the amount of overhead costs asserted by SoCal Edison. The order further accepts SoCal Edison's proposed 12-month amortization schedule to reduce the potential overall costs by avoiding years of carrying costs.

FERC denies rehearing; grants clarification

E-10, *Nevada Power Company et al.*, Docket No. ER15-2281-001, *et al.* This order denies rehearing and grants clarification of the Commission's November 19, 2015 order, which accepted, subject to condition, Nevada Power Company's and Sierra Pacific Power Company's (collectively, NV Energy), and PacifiCorp's (together with NV Energy, Berkshire EIM Sellers) market-based rate tariff revisions to reflect their participation in the California Independent System Operator Corporation (CAISO) Energy Imbalance Market (EIM) as expanded to include NV Energy. The order affirms the Commission's determination that CAISO's market monitoring and mitigation is not sufficient to address the Berkshire EIM Sellers' potential market power in the EIM, and upholds the requirement that the Berkshire EIM Sellers offer their EIM-participating resources at or below the Default Energy Bid. The order also grants a clarification request by Truckee Donner Public Utility District that, to be relieved of the Default Energy Bid requirement, the Berkshire EIM Sellers must demonstrate that they lack, or that mitigation sufficiently addresses, market power in the EIM sub-markets. Finally, the order clarifies that all new EIM participants – regardless of whether they currently have market-based rate authority in their respective home balancing authority areas or otherwise – are required to submit a market power study prior to joining the EIM.

FERC conditionally accepts a filing; establishes hearing and settlement judge procedures

E-11, *City of West Memphis, Arkansas*, Docket No. EL16-17-000. This order conditionally accepts for filing the City of West Memphis, Arkansas' proposed revenue requirements for the provision of Reactive Supply and Voltage Control from Generation or Other Sources Service from certain generating units in the Midcontinent Independent System Operator, Inc. region. The order also establishes hearing and settlement judge procedures and sets an effective date of June 1, 2016, subject to West Memphis submitting a compliance filing reflecting West Memphis' commitment to provide refunds.

FERC conditionally accepts a filing; establishes hearing and settlement judge procedures

E-12, *Conway Corporation*, Docket No. EL16-18-000. This order conditionally accepts for filing Conway Corporation's proposed revenue requirements for the provision of Reactive Supply and Voltage Control from Generation or Other Sources Service from certain generating units in the Midcontinent Independent System Operator, Inc. region. The order also establishes hearing and settlement judge procedures and sets an effective date of June 1, 2016, subject to Conway submitting a compliance filing reflecting Conway's commitment to provide refunds.

FERC approves an uncontested settlement

E-13, *Illinois Power Marketing Company; Illinois Power Resources Generating Company, LLC*, Docket No. ER14-2619-004, *et al.* This letter order approves an uncontested settlement reached among Illinois Power Marketing Company and Illinois Power Resources Generating, LLC (collectively, Illinois Power); Midcontinent Independent System Operator, Inc. (MISO); the Illinois Municipal Electric Agency, Prairie Power, Inc., Hoosier Energy Rural Electric Cooperative, Inc., Southern Illinois Power Cooperative, Wabash Valley Power Association, Inc. and Southwestern Electric Cooperative, Inc.; and Noble Americas Energy Solutions LLC. The settlement addresses Illinois Power's annual revenue requirement for the operation of Edwards Unit No. 1, which was designated as a system support resource (SSR) by MISO. Edwards was operated in accordance with an SSR agreement for 2013, 2014, and 2015. This settlement supersedes the annual revenue requirement for Edwards that was set forth in the previously filed SSR agreements for 2013, 2014, and 2015.

FERC directs resettlements

E-15, *ISO New England Inc.*, Docket No. ER08-633-003. In this order, the Commission directs resettlements, consistent with ISO-NE's proposed methodology, to Connecticut resources that were treated differently from other resources given their inability to prorate or reduce their capacity offers due to reliability requirements during ISO-NE's first Forward Capacity Auction. The order requires ISO-NE to charge those resettlements to Regional Network Load within the affected Reliability Region, consistent with ISO-NE's current treatment of such resources.

FERC denies rehearing

E-16, *Midwest Independent Transmission System Operator, Inc.*, Docket No. ER12-715-004. This order denies rehearing of the Commission's October 29, 2015 order reversing, in part, and affirming, in part, the July 16, 2013 Initial Decision in this proceeding, regarding MISO's assessment of certain Multi-Value Project (MVP) transmission charges to American Transmission Systems, Inc. (ATSI) and Duke Energy Ohio, Inc./Duke Energy Kentucky, Inc. (Duke) using the cost-allocation methodology from

MISO's Schedule 39 ([MVP] Financial Obligations and Cost Recovery for Withdrawing Transmission Owners). This order affirms the Commission's reversal of the Presiding Judge's conclusion that the Schedule 39 methodology of MVP cost allocation may be applied to Duke and ATSI for the MVPs approved by MISO's Board of Directors before Duke and ATSI withdrew from MISO.

FERC denies request for clarification and rehearing

E-17, *Puget Sound Energy, Inc.*, Docket No. EL10-71-002. This order denies El Paso Electric Company's December 2, 2015 request for clarification or, in the alternative, rehearing of a November 2015 Commission order. In the November 2015 order, the Commission granted, in part, and denied, in part, requests for clarification and rehearing of the Commission's February 2012 order that required prior approval for utilities to engage in simultaneous exchange transactions involving the marketing function affiliate of a public utility transmission provider and its affiliated transmission provider's system

FERC grants petition for declaratory order

E-18, *LS Power Development, LLC and Cross Texas Transmission, LLC*, Docket No. EL16-46-000. This order grants a joint petition for declaratory order filed by LS Power Development, LLC and Cross Texas Transmission, LLC (jointly, Petitioners) stating that Petitioners' employees providing control-center services to affiliated transmission projects located outside of Texas will not affect the non-jurisdictional status either of the Electricity Reliability Council of Texas (ERCOT) transmission system or of the electric utilities, generators, retail electric providers, and transmission and distribution service providers that are associated with the ERCOT market.

FERC conditionally accepts a tariff filing; grants, in part, and denies, in part, requests for waivers

G-1, *Gulf Shore Energy Partners, LP*, Docket No. RP16-748- 000. This order grants, in part, and denies, in part, requests for waivers and extensions of time, and conditionally accepts a compliance tariff filing. Gulf Shore made a compliance filing in response to the Commission's issuance of Order Nos. 587-W and 809. Its filing also contained requests for waivers and time extensions related to compliance with certain requirements in the referenced orders. The order accepts Gulf Shore's tariff records, effective April 1, 2016, subject to Gulf Shore's making an additional compliance filing. Additionally, the order grants, in part, and denies, in part, Gulf Shore's requests for waivers and extensions of time.

FERC denies request for rehearing

G-2, *CHS Inc., et al., v. Enterprise TE Products Pipeline Co. LLC*, Docket No. OR13-25-001, *et al.* This order denies a request for rehearing of an October 17, 2013 order granting, in part, complaints concerning Enterprise TE's discontinuation of transportation service for distillate and jet fuel products. In a prior order, the Commission found that the Commission did not have jurisdiction over an oil pipeline's decision to discontinue distinct transportation services. This order upholds this finding, ruling that such a discontinuation is an abandonment, and beyond the scope of the Commission's jurisdiction under the Interstate Commerce Act.

FERC grants amendment to hydroelectric license

H-1, *Merimil Limited Partnership*, Project Nos. 2574-069 and -075; *Brookfield White Pine Hydro, LLC*, Project Nos. 2322-054 and 2325-077. The order grants an application filed on February 21, 2013 by Brookfield White Pine Hydro, LLC (Brookfield), on behalf of itself and Merimil Limited Partnership (Merimil), to amend the licenses for three hydroelectric projects on the Kennebec River in Maine to require an interim species protection plan (Interim Plan) for endangered Atlantic salmon. The Interim Plan, for years 2013 through 2019, seeks to avoid and minimize impacts to endangered Atlantic salmon during operation of Merimil's Lockwood Project No. 2574, and Brookfield's Shawmut Project No. 2322 and Weston Project No. 2325. The order also grants an application filed on March 29, 2013 to amend the license for the Lockwood Project to require a sturgeon handling and protection plan that would require permanent measures to avoid and minimize impacts to endangered shortnose sturgeon and threatened Atlantic sturgeon at that project.

FERC authorizes transfer of authority for border-crossing natural gas facility

C-2, *Crescent Point Energy U.S. Corp. and Eagle Rock Exploration Ltd.*, Docket No. CP15-561-000. This order issues to Crescent Point Energy the Natural Gas Act section 3 authorization and Presidential Permit for a border crossing facility previously issued to Eagle Rock Exploration Ltd. in Docket No. CP08-90-000 (reflecting Crescent Point as the current owner and operator of the border crossing facility) and vacates the section 3 authorization and terminates the Presidential Permit so that Crescent Point may properly abandon-in-place the border crossing facility.

FERC addresses an order on remand

C-3, *Kinetica Deepwater Express, LLC*, Docket No. CP11-544-004. This order on voluntary remand from the U.S. Court of Appeals for the District of Columbia Circuit affirms the finding in the underlying orders that TC Offshore, now known as Kinetica Deepwater Express, LLC, failed to support adequately its initial negative salvage rate

during the certificate proceeding and finds that accepting a Negative Salvage Study as a supplement or amendment is unjustified and contrary to the public interest.

FERC denies rehearing

C-4, *City of Clarksville, Tennessee*, Docket No. CP13-508-001. The order denies the City of Clarksville, Tennessee's request for rehearing of the jurisdictional finding in footnote 15 of the Commission's February 7, 2014 order as it pertains to Clarksville's transportation of gas in interstate commerce to the City of Guthrie, Kentucky. The order affirms the prior order's finding that Clarksville needs certificate authorization under section 7(c) of the Natural Gas Act (NGA) to continue its transportation of gas for the City of Guthrie, Kentucky, as the transportation in question is not covered by the NGA's municipal exemption. The order grants Clarksville a certificate of limited jurisdiction under Part 157, Subpart A of the Commission's regulations and directs the Commission's Office of Energy Projects – Pipeline Certificates to contact Guthrie to offer guidance regarding the submission of an application for an NGA section 7(f) service area authorization for Guthrie's facilities in Tennessee.